

SENATOR MARVEL: The Call is raised. Clerk will announce the vote.

CLERK: 25 ayes, 2 nays, Mr. President, on the original motion.

SENATOR MARVEL: Motion carried, amendments are adopted. Now do we turn to Senator Koch for the bill.

SENATOR KOCH: Mr. Chairman, members of the body. It was at my request that this bill was drafted in conjunction with Barry Lake, who is the Director of the Securities Division. There was one main purpose that I was seeking to accomplish in this piece of legislation, that was to help small industries, small companies in Nebraska to raise money in carrying on their activities of business. I'll very briefly tell you what the bill does. It would relieve the companies who are selling their own securities, and registering those securities with the Nebraska Securities Bureau and not with the federal government SEC of the burden of taking the difficult broker-dealer test, which is designed for brokers-dealers who are in the business of selling securities on a continual basis. The second thing it would do is relieve the companies, who are selling their own securities and registering these securities with the Nebraska Securities Bureau, and not with the federal government, of the burden of having a \$25,000 net capital. The present \$25,000 net capital requirement is preventing many small Nebraska businesses from raising capital that they need to do business in this state. There is one item it does. It expands the exemption from registration of securities for small businesses. The cost of the present small offering exemption for small business in some cases outweighs the benefits of registering their securities. So, basically, this is what we're attempting to do with this piece of legislation. Now there was one further step that was added to the bill by Barry Lake, and it bothered me because it got in the business of limited partnerships and ventures. There are a number of companies in this state who, for years, have been in the business of exploration of oil and gas. This immediately, it appeared to me, became a handicap for them because when I enter in with those people in a limited partnership I am giving them capital. They go out here and drill a well and it's either dry or it brings in some kind of gas or petroleum. I know that. So that is why I asked the committee to strike that Section that got into the business of, what I felt was, deterring limited partnerships and venture capital. Therefore, I was happy that the committee did strike that and deal only with subject-matter that I spoke to you about originally. Frankly, I think that those people who deal with oil and gas ventures should be under the Oil and Gas Commission, and that is where they should function. Hopefully, when Barry Lake helped with this piece of legislation, as sometimes happens, he probably got a little bit too energetic and tried to do some things in this piece of legislation that I felt were damaging to what I know as mainly bonafied business in this state. We all know, that when you go to drill for oil in the State of Nebraska, that the odds of hitting a well are 1 in 9. Therefore, that is the reason I ask to strike that part of the bill. I did not want to have any part of the bill if that was going to remain there. I support this bill. As I told you, the changes that are there are laid out before you, it is laid out in your memorandum to you in the